

Report of: Head of Leeds Building Services

Report to: Director of Environment & Housing

Date: 17th October 2016

Subject: Extension of the building and specialist material supplies (including Timber) contract (YORE-9ADDTY) FOR 12 months from 14th January 2017

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This contract (YORE-9ADDTY) is a framework arrangement for the supply of building and specialist material supplies to Leeds Building Services who are the Internal Service Provider, providing a planned, responsive repairs & maintenance and cyclical service to other LCC Departments. These include CEL who look after all LCC's Civic Estate and public buildings, Children's Services who manage school buildings and Environment and Neighbourhoods who manage the Council's housing stock.
2. The framework was set up three years ago by the former Property Maintenance following an increased workload due to the "Changing the workplace" programme and the need to secure supplies to deliver the service. A competitive tendering exercise took place to establish the framework with 6 Lots to cover the supply of building and specialist materials and associated products.

This arrangement currently sits outside of the arrangement that the former Construction Services have with Wolseley Integrated Services.
3. The contract is for three years plus one 12 month extension and commenced on 15th January 2014. The annual value of the contract is £830 k.
4. This report seeks approval from the Director of Environment and Neighbourhoods to extend this framework contract with the current suppliers.
5. The decision to extend this contract is a key decision.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Recommendation

1. The Director of Environment & Housing is recommended to extend the contract for a further twelve months from 14th January 2017.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to extend this contract for a further twelve months from the 14th January 2017 in accordance with the terms of the existing contract.
- 2.1 The annual contract value is in the region of £830K, therefore the contract award represents a Key Decision under the Council's constitution.

2. Background information

- 2.1 Leeds Building Services is Leeds City Council's (LCC's) internal service provider (ISP) who provides building and specialist services on a planned, responsive and cyclical basis to other LCC departments. These include CEL who look after all LCC's Civic Estate and public buildings, Children's Services who manage school buildings, and Environment and Neighbourhoods who manage the City's housing stock.
- 2.2 Due to the ever increasing business within the former Property Maintenance it was recognised that further provision for building material supplies was needed. Therefore it was decided to develop a specific framework contract for the supply of Building and specialist supplies (including timber).
- 2.3 A tender process commenced in June 2013, with the establishment of a project team. The project team comprised of four representatives from Property Maintenance and the Procurement Unit.
- 2.3 The tender process was undertaken in the format of a 'open' tendering procedure and was advertised in EU journal and also on the Council's Electronic Tendering System.
- 2.4 The framework contract was developed to consist of a number of distinct material 'Lots' that cover the majority of materials and supplies that are required by the service.

In order to encourage the suppliers of large, medium and small size companies for this contract, the material elements were then split into sub lots under each distinct Lot covering the following categories:-

- Lot - 1. The provision of building supplies
 - Sub-Lot 1A – The provision of building supplies – Direct
 - Sub-Lot 1B – The provision of building supplies – Stock
 - Sub-Lot 1C – The provision of fixings – Direct
 - Sub-Lot 1D – The provision of fixings – Stock
- Lot - 2. The provision of electrical and specialist electrical supplies

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

- Sub-Lot 2A – The provision of electrical supplies – Direct
- Sub-Lot 2B – The provision of electrical supplies – Stock
- Sub-Lot 2C – The provision of alarm supplies – Stock
- Sub-Lot 2D – The provision of security alarm supplies – Direct
- Sub-Lot 2E – The provision of fire alarm supplies – Direct
- Sub-Lot 2F – The provision of CCTV material supplies – Direct
- Lot - 3. The provision of heating and plumbing supplies
 - Sub-Lot 3A – The provision of heating materials & supplies – Direct
 - Sub-Lot 3B – The provision of plumbing materials & supplies – Direct
 - Sub-Lot 3C – The provision of plumbing materials & supplies – Stock
- Lot - 4. The provision of ironmongery supplies
 - Sub-Lot 4A – The provision of ironmongery supplies – Direct
 - Sub-Lot 4B – The provision of ironmongery supplies – Stock
- Lot - 5. The provision of timber supplies –
 - Sub-Lot 5A – The provision of timber supplies – Direct
 - Sub-Lot 5B – The provision of timber supplies – Stock
 - Sub-Lot 5C – The provision of sheet materials – Direct
 - Sub-Lot 5D - The provision of sheet materials – Stock
 - Sub-Lot 5E – The provision of doors – Direct

2.6 The tender documents for the procurement exercise were designed to include as many suppliers as possible on a framework contract. The framework contract then ranked the suppliers in order of their aggregated score achieved from the evaluation on their price and quality submission.

2.5 The contract was awarded in October 2013 for three years plus one 12 month extension with an annual value of £830 k per annum. The award report is attached as Appendix I.

3 Main issues

3.1 This contract that is required to be extended is a framework arrangement for the supply of building and specialist supplies to the former Property Maintenance (now

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Leeds Building Services) who are responsible for carrying out works to Leeds City Council buildings.

- 3.2 The contract has been running efficiently and effectively since awarded and has proved to be invaluable in securing and providing building materials and specialist supplies to former Property Maintenance as the department has continued to grow.
- 3.3 Because the contract has proved to be both cost effective and reliable it has been decided to take up the contracted option of the one year extension which will mean that contract will expire in January 2018.
- 3.4 Discussion have been held with PPPU, who are managing the realignment project on behalf of Housing Leeds and as part of this project have been asked to start an options appraisal, which will consider all stores arrangements for Leeds Building Services, and will take the current contract with Wolseley Integrated Services into consideration. An additional report will be produced and taken to the Housing Contacts Board once this exercise has been carried out.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The decision to extend the contract has been discussed with PPPU.

4.2 Equality and Diversity / Cohesion and Integration

- 4.1.2 There are no issues concerning equality and diversity with the extension of this contract.

4.3 Council policies and City Priorities

- 4.3.1 The services provided under this report will contribute to the City Priority Plan.

4.4 Resources and value for money

- 4.4.1 The contract is monitored by Property Maintenance and throughout the contract has provided value for money and quality products.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Contract Procedure Rule 21.1, allows the contract to be extended before its expiry date where it is in accordance with its terms and has proved to deliver best value for money.
- 4.5.2 As the yearly spends on this contract are over the threshold for a major decision (£250k) therefor the decision is a Key Decision.

4.6 Risk Management

- 4.6.1 There are no particular risks in extending this contract, however if the contract is not extending then the risk of Leeds Building Services not being able to deliver schemes such as Changing the workplace would be very high.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

4.7 Conclusions

- 4.7.1 Given that the contract is performing well with no current performance issues and can be shown to be financially competitive, it would not represent value for money to re-tender the contract at this stage.

4.8 Recommendations

- 4.8.1 The Director of Environment and Housing is recommended to give approval to extend this contract with the present suppliers for one year from the 14th January 2017.

4.9 Background documents

- 4.9.1 Appendix I – 2013 Award Report. ¹

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.